

on the basis of the facts, representations and assumptions set forth in such opinion, the Merger constitutes a tax-free reorganization under Section 368 of the Code and therefore: (A) no gain or loss will be recognized for federal income tax purposes by Bell Atlantic, GTE or Merger Subsidiary as a result of the formation of Merger Subsidiary and the Merger; and (B) no gain or loss will be recognized for federal income tax purposes by the stockholders of Bell Atlantic as a result of the Merger, including the Certificate Amendment. In rendering such opinion, Skadden, Arps, Slate, Meagher & Flom LLP may require and rely upon representations and covenants including representations and covenants substantially in the form of those contained in the GTE officer's certificate and the Bell Atlantic officer's certificate attached hereto as Exhibits 7.17(b)(ii) and 7.17(b)(i) respectively.

(f) *Affiliate Agreements.* Bell Atlantic shall have received the agreements required by Section 7.14 hereof to be delivered by the GTE "affiliates," duly executed by each "affiliate" of GTE.

## **ARTICLE IX — TERMINATION, AMENDMENT AND WAIVER**

**SECTION 9.1 — Termination.** This Agreement may be terminated at any time before the Effective Time, in each case as authorized by the respective Board of Directors of GTE or Bell Atlantic:

(a) By mutual written consent of each of GTE and Bell Atlantic;

(b) By either GTE or Bell Atlantic if the Merger shall not have been consummated on or before July 26, 1999 (the "Initial Termination Date" and as such may be extended pursuant to this paragraph, the "Termination Date"), provided, however, that if on the Termination Date the conditions to the Closing set forth in Sections 8.1(b)(i), (c) or (d) shall not have been fulfilled, but all other conditions to the Closing shall be fulfilled or shall be capable of being fulfilled, then the Termination Date shall be extended to March 31, 2000, (the "Extended Termination Date"); and provided further that if on the Extended Termination Date the conditions to the Closing set forth in Sections 8.1(b)(i), (c) or (d) shall not have been fulfilled, but all other conditions to the Closing shall be fulfilled or shall be capable of being fulfilled, then the Termination Date shall be extended to June 30, 2000 (the "Final Termination Date"), unless within five days prior to the Extended Termination Date any Party reasonably determines that it is substantially unlikely that the conditions to the Closing set forth in Sections 8.1(b)(i), (c) and (d) will be fulfilled by the Final Termination Date and delivers to the other Parties a notice to such effect. The right to terminate this Agreement under this Section 9.1(b) shall not be available to any Party whose failure to fulfill any obligation under this Agreement has been the cause of, or resulted in, the failure of any condition to be satisfied;

(c) By either GTE or Bell Atlantic if after the date hereof a court of competent jurisdiction or Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree or ruling the Parties shall use their commercially reasonable efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement and the Option Agreements, and such order, decree, ruling or other action shall have become final and nonappealable;

(d) (i) by GTE, (A) if Bell Atlantic shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (1) is incapable of being cured by Bell Atlantic prior to the Termination Date and (2) renders any condition under Section 8.1 or 8.2 incapable of being satisfied prior to the Termination Date, or (B) if a condition under Sections 8.1 or 8.2 to GTE's obligations hereunder cannot be satisfied prior to the Termination Date;

(ii) by Bell Atlantic, (A) if GTE shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform (1) is incapable of being cured by GTE prior to the Termination Date and (2) renders any condition under Sections 8.1 and 8.3 incapable of being satisfied prior to the Termination Date, or (B) if a condition under Sections 8.1 or 8.3 to Bell Atlantic's obligations hereunder cannot be satisfied prior to the Termination Date;

(e) By either GTE or Bell Atlantic if the Board of Directors of the other or any committee of the Board of Directors of the other (i) shall fail to include in the Joint Proxy Statement its recommendation without modification or qualification that stockholders approve this Agreement and the Merger, in the case of GTE, or the Stock Issuance and the Certificate Amendment, in the case of Bell Atlantic Stock, (ii) shall withdraw or modify in any adverse manner its approval or recommendation of this Agreement or the Merger, in the case of GTE, or the Certificate Amendment or the Stock Issuance in the case of Bell Atlantic, (iii) shall fail to reaffirm such approval or recommendation upon such Party's request, (iv) shall approve or recommend any Alternative Transaction or (v) shall resolve to take any of the actions specified in this Section 9.1(e); or

(f) By either GTE or Bell Atlantic if any of the required approvals of the stockholders of GTE or of Bell Atlantic shall fail to have been obtained at a duly held stockholders meeting of either of such companies, including any adjournments thereof.

**SECTION 9.2 — *Effect of Termination.*** (a) In the event of termination of this Agreement as provided in Section 9.1 hereof, and subject to the provisions of Section 10.1 hereof, this Agreement shall forthwith become void and there shall be no liability on the part of any of the Parties, except (i) as set forth in this Section 9.2 and in Sections 4.10, 4.16, 5.10,

5.16 and 10.3 hereof, and (ii) nothing herein shall relieve any Party from liability for any willful breach hereof.

(b) If this Agreement (i) is terminated by GTE pursuant to Section 9.1(e) hereof, (ii) could have been (but was not) terminated by GTE pursuant to Section 9.1(e) hereof and is subsequently terminated by Bell Atlantic or GTE pursuant to Section 9.1(f) because of the failure to obtain the Bell Atlantic Stockholder Approval, (iii)(A) could not have been terminated by GTE pursuant to Section 9.1(e) hereof but is subsequently terminated by Bell Atlantic or GTE pursuant to Section 9.1(f) because of the failure to obtain the Bell Atlantic Stockholder Approval, (B) prior to the Bell Atlantic Stockholders' Meeting there shall have been an offer or proposal for, an announcement of any intention with respect to (including the filing of a statement of beneficial ownership on Schedule 13D discussing the possibility of or reserving the right to engage in), or any agreement with respect to, a transaction that would constitute an Alternative Transaction (as defined in Section 6.3(c) hereof, except that for the purposes of this Section 9.2(b), the applicable percentage in clause (i) of such definition shall be fifty percent (50%)) involving Bell Atlantic or any of Bell Atlantic's Subsidiaries, and (C) within 12 months after the termination of this Agreement, Bell Atlantic enters into a definitive agreement with any Third Party with respect to an Alternative Transaction, or (iv) is terminated by GTE as a result of Bell Atlantic's material breach of Section 7.1, Section 7.2(a) or Section 7.2(b) hereof which, in the case of Section 7.1 and Section 7.2(a) only, is not cured within 30 days after notice thereof to Bell Atlantic, Bell Atlantic shall pay to GTE a termination fee of one billion eight hundred million dollars (\$1,800,000,000) (the "GTE Termination Fee").

(c) If this Agreement (i) is terminated by Bell Atlantic pursuant to Section 9.1(e) hereof, (ii) could have been (but was not) terminated by Bell Atlantic pursuant to Section 9.1(e) hereof and is subsequently terminated by GTE or Bell Atlantic pursuant to Section 9.1(f) because of the failure to obtain the GTE Stockholder Approval, (iii)(A) could not have been terminated by Bell Atlantic pursuant to Section 9.1(e) hereof but is subsequently terminated by GTE or Bell Atlantic pursuant to Section 9.1(f) because of the failure to obtain the GTE Stockholder Approval, (B) prior to the GTE Stockholders' Meeting there shall have been an offer or proposal for, an announcement of any intention with respect to (including the filing of a statement of beneficial ownership on Schedule 13D discussing the possibility of or reserving the right to engage in), or any agreement with respect to, a transaction that would constitute an Alternative Transaction (as defined in Section 6.3(c) hereof, except that for the purposes of this Section 9.2(c), the applicable percentage in clause (i) of such definition shall be fifty percent (50%)) involving GTE or any of GTE's Subsidiaries, and (C) within 12 months after the termination of this Agreement, GTE enters into a definitive agreement with any Third Party with respect to an Alternative Transaction, or (iv) is terminated by Bell Atlantic as a result of GTE's material breach of Section 7.1, Section 7.2(c) or Section 7.2(d) hereof which, in the case of Section 7.1 and Section 7.2(c) only, is not cured within 30 days after notice

thereof to GTE, GTE shall pay to Bell Atlantic a termination fee of one billion eight hundred million dollars (\$1,800,000,000) (the "Bell Atlantic Termination Fee").

(d) Each termination fee payable under Sections 9.2(b) and (c) above shall be payable in cash, payable no later than one business day following the delivery of notice of termination to the other Party, or, if such fee shall be payable pursuant to clause (iii) of either of Section 9.2(b) or (c), such fee shall be payable no later than one business day following the day such Party enters into the definitive agreement referenced in such clause (iii).

(e) GTE and Bell Atlantic agree that the agreements contained in Sections 9.2(b) and (c) above are an integral part of the transactions contemplated by this Agreement and the Option Agreements and constitute liquidated damages and not a penalty. In the event of any dispute as to whether any fee due under such Sections 9.2(b) and (c) is due and payable, the prevailing party shall be entitled to receive from the other Party the costs and expenses (including legal fees and expenses) in connection with any action, including the filing of any lawsuit or other legal action, relating to such dispute. Interest shall be paid on the amount of any unpaid fee at the publicly announced prime rate of Citibank, N.A. from the date such fee was required to be paid.

**SECTION 9.3 — *Amendment.*** This Agreement may be amended by the Parties pursuant to a writing adopted by action taken by all of the Parties at any time before the Effective Time; provided, however, that, after approval of the Merger Agreement by the stockholders of GTE or Bell Atlantic, whichever shall occur first, no amendment may be made which would (a) alter or change the amount or kinds of consideration to be received by the holders of GTE Common Stock upon consummation of the Merger, (b) alter or change any term of the Certificate of Incorporation of GTE or the Certificate of Incorporation of Bell Atlantic (except for the implementation at the Effective Time of the Certificate Amendment) or (c) alter or change any of the terms and conditions of this Agreement if such alteration or change would adversely affect the holders of any class or series of securities of GTE or Bell Atlantic. This Agreement may not be amended except by an instrument in writing signed by the Parties.

**SECTION 9.4 — *Waiver.*** At any time before the Effective Time, any Party may (a) extend the time for the performance of any of the obligations or other acts of the other Parties, (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto and (c) waive compliance with any of the agreements or conditions contained herein. Any agreement on the part of a Party to any such extension or waiver shall be valid only as against such Party and only if set forth in an instrument in writing signed by such Party.

## ARTICLE X — GENERAL PROVISIONS

SECTION 10.1 — *Non-Survival of Representations, Warranties and Agreements.* The representations, warranties and agreements in this Agreement shall terminate at the Effective Time or upon the termination of this Agreement pursuant to Section 9.1 hereof, as the case may be, except that (a) the agreements set forth in Article I and Sections 2.2, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 7.8, 7.9 and 7.12 hereof shall survive the Effective Time indefinitely, (b) the agreements and representations set forth in Sections 4.10, 4.16, 5.10, 5.16, 7.5 (b), 9.2 and 10.3 hereof shall survive termination indefinitely and (c) nothing contained herein shall limit any covenant or Agreement of the Parties which by its terms contemplates performance after the Effective Time.

SECTION 10.2 — *Notices.* All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date of receipt and shall be delivered personally or mailed by registered or certified mail (postage prepaid, return receipt requested), sent by overnight courier or sent by telecopy, to the Parties at the following addresses or telecopy numbers (or at such other address or telecopy number for a Party as shall be specified by like notice):

(a) if to GTE:

GTE Corporation  
One Stamford Forum  
Stamford, Connecticut 06904  
Attention: William P. Barr  
Executive Vice President-Government  
and Regulatory and General Counsel  
Telecopy No.: (203) 965-3464

with a copy to:

O'Melveny & Myers LLP  
153 East 53<sup>rd</sup> Street, 54<sup>th</sup> Floor  
New York, New York 10066  
Attention: Jeffrey J. Rosen, Esq.  
Telecopy No.: (212) 326-2061

(b) if to Bell Atlantic:

Bell Atlantic Corporation  
1095 Avenue of the Americas, 39<sup>th</sup> Floor  
New York, New York 10036  
Attention: Vice President and General Counsel  
Telecopy: (212) 597-2587

with a copy to:

Bell Atlantic Network Services, Inc.  
1717 Arch Street, 32N  
Philadelphia, Pennsylvania 19103  
Attention: Assistant General Counsel - Mergers and Acquisitions  
Telecopy: (215) 963-9195

and

Skadden, Arps, Slate, Meagher & Flom LLP  
919 Third Avenue  
New York, New York 10022-3897  
Attention: Peter Allan Atkins, Esq.  
Telecopy No.: (212) 735-2000

SECTION 10.3 — *Expenses*. Except as otherwise provided in this Agreement, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses, except that those expenses incurred in connection with the printing of the Joint Proxy Statement and the Registration Statement, as well as the filing fees related thereto and any filing fee required in connection with the filing of Premerger Notifications under the HSR Act, shall be shared equally by GTE and Bell Atlantic. GTE will pay any real property transfer or similar Taxes imposed on the stockholders of GTE in connection with this Agreement and the transactions contemplated hereby.

SECTION 10.4 — *Certain Definitions*. For purposes of this Agreement, the following terms shall have the following meanings:

(a) "1933 Act" means the Securities Act of 1933, as the same may be amended from time to time, and "Exchange Act" means the Securities Exchange Act of 1934, as the same may be amended from time to time.

(b) "affiliate" of a person means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the first mentioned person.

(c) "commercially reasonable efforts" shall mean those efforts necessary or advisable to advance the interests of the Parties in achieving the purposes and specific requirements and satisfying the conditions of this Agreement, provided that such efforts will not require or include either expense or conduct not ordinarily incurred or engaged in by Parties seeking to implement agreements of this type unless part of a separate mutual understanding of the Parties not contained in this Agreement whether reached before or after the Agreement is executed.

(d) "control" (including the terms "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of stock, as trustee or executor, by contract or credit arrangement or otherwise.

(e) "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as the same may be amended from time to time.

(f) "knowledge" of any Party shall mean the actual knowledge of the executive officers of such Party.

(g) "Material Adverse Effect" means any change in or effect on the business of the referenced corporation or any of its Subsidiaries that is or will be materially adverse to the business, operations (including the income statement), properties (including intangible properties), condition (financial or otherwise), assets, liabilities or regulatory status of such referenced corporation and its Subsidiaries taken as a whole, but shall not include (I) the effects of changes that are generally applicable in (A) the telecommunications industry, (B) the United States economy or (C) the United States securities markets if, in any of (A), (B) or (C), the effect on GTE or Bell Atlantic, determined without including its ownership of GTE after the Merger, (as the case may be) and its respective Subsidiaries, taken as a whole, is not materially disproportionate relative to the effect on the other and its Subsidiaries, taken as a whole. All references to Material Adverse Effect on Bell Atlantic or its Subsidiaries contained in Article IV, V or VI of this Agreement shall be deemed to refer solely to Bell Atlantic and its Subsidiaries without including its ownership of GTE and its Subsidiaries after the Merger.

(h) "Material Investment" means (a) as to GTE, any person which GTE directly or indirectly holds the stock of, or other equity interest in, provided the lesser of the fair market value or book value of such interest exceeds \$100 million, excluding, however, any person which is a Subsidiary of GTE; and (b) as to Bell Atlantic, any person which Bell Atlantic directly or indirectly holds the stock of, or other equity interest in, provided the lesser

of the fair market value or book value of such interest exceeds \$100 million, excluding, however, any Person which is a Subsidiary of Bell Atlantic.

(i) "person" means an individual, corporation, partnership, association, trust, estate, limited liability company, labor union, unincorporated organization, entity or group (as defined in the Exchange Act).

(j) "POR" means the Plan of Reorganization approved by the United States Court for the District of Columbia on August 5, 1983 and the Agreement Concerning Contingent Liabilities, Tax Matters and Termination of Certain Agreements dated as of November 1, 1983, as amended and supplemented.

(k) "Significant Subsidiary" with respect to GTE means any Subsidiary which on the date of determination is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X promulgated under the Exchange Act and, with respect to Bell Atlantic means any Subsidiary which on the date of determination is a "significant subsidiary" within the meaning of Rule 1-02(w) of Regulation S-X promulgated under the Exchange Act.

(l) "Subsidiary", "GTE Subsidiary", or "Bell Atlantic Subsidiary" means any corporation or other legal entity of which GTE or Bell Atlantic, as the case may be (either alone or through or together with any other Subsidiary or Subsidiaries), owns, directly or indirectly, more than 50% of the stock or other equity interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity. For purposes of this Agreement, Grupo Iusacell S.A. de C.V. shall be deemed to be a Material Investment, and not a Subsidiary, of Bell Atlantic.

SECTION 10.5 — *Headings*. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

SECTION 10.6 — *Severability*. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the maximum extent possible.

SECTION 10.7 — *Entire Agreement; No Third-Party Beneficiaries*. This Agreement, the Nondisclosure Agreement and the Stock Option Agreements constitute the entire



agreement and, except as expressly set forth herein, supersedes any and all other prior agreements and undertakings, both written and oral, among the Parties, or any of them, with respect to the subject matter hereof and, except for Section 7.8 (Indemnification, Directors' and Officers' Insurance) and Section 7.12 (Post-Merger Bell Atlantic Board of Directors), is not intended to confer upon any person other than GTE, Bell Atlantic, and Merger Subsidiary and, after the Effective Time, their respective stockholders, any rights or remedies hereunder.

SECTION 10.8 — *Assignment*. This Agreement shall not be assigned by operation of law or otherwise.

SECTION 10.9 — *Governing Law*. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware applicable to contracts executed in and to be performed entirely within that State, without regard to the conflicts of laws provisions thereof; provided that the Merger shall be governed by the laws of the State of New York applicable to contracts executed in and to be performed entirely within that State, without regard to the conflicts of laws provisions thereof.

SECTION 10.10 — *Counterparts*. This Agreement may be executed in two or more counterparts, and by the different Parties in separate counterparts, each of which when executed shall be deemed to be an original, but all of which shall constitute one and the same Agreement.

SECTION 10.11 — *Interpretation*.

(a) Whenever the words "include", "includes" or "including" are used in this Agreement they shall be deemed to be followed by the words "without limitation."

(b) Words denoting any gender shall include all genders. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning.

(c) A reference to any party to this Agreement or any other agreement or document shall include such party's successors and permitted assigns.

(d) A reference to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislative provision substituted therefor and all regulations and statutory instruments issued thereunder or pursuant thereto.

(e) All references to "\$" and dollars shall be deemed to refer to United States currency unless otherwise specifically provided.

IN WITNESS WHEREOF, GTE, Bell Atlantic and Beta Gamma Corporation have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized

GTE CORPORATION

By \_\_\_\_\_  
Name: Charles R. Lee  
Title: Chairman and Chief Executive Officer

By: \_\_\_\_\_  
Name: Marianne Drost  
Title: Secretary

BELL ATLANTIC CORPORATION

By: Ivan Seidenberg  
Name: Ivan Seidenberg  
Title: Vice Chairman, President and  
Chief Executive Officer

BETA GAMMA CORPORATION

By: Ivan Seidenberg  
Name: Ivan Seidenberg  
Title: President and Chief Executive Off

IN WITNESS WHEREOF, GTE, Bell Atlantic and Beta Gamma Corporation have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

**GTE CORPORATION**

By: Charles R. Lee  
Name: Charles R. Lee  
Title: Chairman and Chief Executive Officer

By: Marianne Drost  
Name: Marianne Drost  
Title: Secretary

**BELL ATLANTIC CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BETA GAMMA CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**BELL ATLANTIC****Consolidated Statements of Income**

(Dollars in Millions, Except Per Share Amounts)

Years Ended December 31,

1997

1996

1995

1994

**Operating Revenues**

Local services	\$13,113.20	\$12,559.10	\$12,115.30	\$11,844.90
Network access services	7,158.60	7,112.60	6,952.20	6,684.60
Long distance services	2,190.10	2,373.60	2,474.30	2,636.70
Ancillary services	1,845.40	1,738.00	1,450.80	1,227.60
Directory and information services	2,298.00	2,224.30	2,050.80	1,978.60
Wireless services	3,328.50	2,713.60	2,147.80	1,779.80
Other services	260.1	434	735.6	945.8

**Total Operating Revenues**

30,193.90	29,155.20	27,926.80	27,098.00
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**Operating Expenses**

Employee costs	9,047.20	8,703.90	8,811.30	9,424.00
Depreciation and amortization	5,864.40	5,379.00	5,326.10	5,291.20
Taxes other than income	1,606.90	1,499.90	1,589.30	1,534.00
Other operating expenses	8,333.90	7,493.80	6,782.70	6,326.40

**Total Operating Expenses**

24,852.40	23,076.60	22,509.40	22,575.60
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**Operating Income**

Income (loss) from unconsolidated businesses	5,341.50	6,078.60	5,417.40	4,522.40
Other income and (expense), net	-124.1	14.2	-22.1	65.9
Interest expense	-3.3	-99.6	404.3	73.3
Provision for income taxes	1,230.00	1,082.00	1,264.60	1,230.80
	1,529.20	1,782.30	1,708.90	1,205.90

**Income from Continuing Operations**

Extraordinary items	2,454.90	3,128.90	2,826.10	2,224.90
Discontinuation of regulatory accounting			-2,919.40	-2,150.00
Early extinguishment of debt, net of tax			-3.5	-6.7
Cumulative effect of change in accounting				
Directory publishing, net of tax		273.1		
<b>Net Income (Loss)</b>	<b>\$2,454.90</b>	<b>\$3,402.00</b>	<b>(\$96.80)</b>	<b>\$68.20</b>

**Basic Earnings (Loss) per Share**

\$3.16	\$4.40	(\$0.13)	\$0.09
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Average common shares outstanding (M)

775.9	773.3	764.3	757.9
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**Diluted Earnings (Loss) per Share**

\$3.13	\$4.36	(\$0.13)	\$0.09
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Average common shares outstanding

785.5	780.1	768.2	759.7
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**Note:**

Not adjusted for stock split (2 for 1) on 6/29/98

Basic earnings per common share are based on the weighted average number of shares outstanding during the year.

Diluted earnings per common share include the dilutive effect of shares issuable under our stock-based compensation plans, which represent the only potential dilutive common shares

**BELL ATLANTIC****Condensed Consolidated Balance Sheets**

At December 31,	(Dollars in Millions)			
	1997	1996	1995	1994
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$322.80	\$249.40	\$462.90	\$280.40
Short-term investments	720.6	300.5	10.9	7
Accounts receivable, net	6,340.80	6,168.90	5,231.50	4,815.20
Inventories	550.3	478.4	362.4	450.8
Prepaid expenses	634	716.3	1,003.90	906.7
Other	432.3	543.3	891.4	1,130.70
Total current assets	9,000.80	8,456.80	7,963.00	7,590.80
Plant, property and equipment	77,437.20	75,679.50	72,034.00	69,110.40
Less accumulated depreciation	42,397.80	39,544.70	37,164.20	31,604.60
	35,039.40	36,134.80	34,869.80	37,505.80
Investments in unconsolidated businesses	5,144.20	4,922.20	4,151.50	3,568.30
Other assets	4,779.70	3,847.30	3,638.80	5,355.30
<b>Total Assets</b>	<b>\$53,964.10</b>	<b>\$53,361.10</b>	<b>\$50,623.10</b>	<b>\$54,020.20</b>
<b>Liabilities and Shareowners' Investment</b>				
Current liabilities				
Debt maturing within one year	\$6,342.80	\$2,884.20	\$2,622.80	\$4,216.40
Accounts payable and accrued liabilities	5,966.40	6,160.60	5,696.20	5,158.80
Other	1,355.00	1,305.10	1,596.80	2,054.00
Total current liabilities	13,664.20	10,349.90	9,915.80	11,429.20
Long-term debt	13,265.20	15,286.00	15,744.10	14,590.20
Employee benefit obligations	10,004.40	9,588.00	9,388.40	8,980.20

Deferred credits and other liabilities				
Deferred income taxes	2,106.20	1,846.90	1,677.80	3,508.10
Unamortized investment tax credits	250.7	288.8	346.1	481.1
Other	772.6	865.9	971.2	1,234.90
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	3,129.50	3,001.60	2,995.10	5,224.10
	<hr/>	<hr/>	<hr/>	<hr/>
Minority interest, including a portion subject	911.2	2,014.20	1,221.10	648
	<hr/>	<hr/>	<hr/>	<hr/>
Preferred stock of subsidiary	200.5	145	145	85
	<hr/>	<hr/>	<hr/>	<hr/>
Shareowners' investment				
Common stock	78.8	78.7	77.2	76.2
Common stock issuable	-	-	-	0.1
Contributed capital	13,255.60	13,295.00	12,452.90	12,526.00
Reinvested earnings	1,261.70	1,279.80	184.6	1,750.20
Foreign currency translation adjustment	-553.4	-319.4	-541.3	-327.6
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	14,042.70	14,334.10	12,173.40	14,024.90
Less common stock in treasury, at cost	590.5	589.3	97.9	11
Less deferred compensation-employee stock	663.1	768.4	861.9	950.4
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Total shareowners' investment	12,789.10	12,976.40	11,213.60	13,063.50
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Total Liabilities and Shareowners' Investment	\$53,964.10	\$53,361.10	\$50,623.10	\$54,020.20
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**Note:**

Not adjusted for stock split (2 for 1) on 6/29/98

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## LICENSEE QUALIFICATION REPORT

See reverse for public  
burden estimate

## INSTRUCTIONS:

- A. The "Filer" of this report is defined to include: (1) An applicant, where this report is submitted in connection with applications for common carrier and satellite radio authority as required for such applications; or (2) A licensee or permittee, where this report is required by the Commission's Rules to be submitted on an annual basis.
- B. Submit an original and one copy (sign original only) to the Federal Communications Commission, Washington, DC 20554. If more than one radio service is listed in Item 6, submit an additional copy for each such additional service. If this report is being submitted in connection with an application for radio authority, attach it to that application.
- C. Do not submit a fee with this report.

<b>1. Business Name and Address (Number, Street, State and ZIP Code) of Filer's Principal Office</b>  Bell Atlantic Corporation 1095 Avenue of the Americas New York, NY 10036	<b>2. (Area Code) Telephone Number</b> (212) 395-2121  <b>3. If this report supersedes a previously filed report, specify its date</b> July 2, 1996
<b>4. Filer is (check one):</b> <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation  <input type="checkbox"/> Other (Specify):	<b>5. Under the laws of what State (or other jurisdiction) is the Filer organized?</b> Delaware

- 6. List the common carrier and satellite radio services in which Filer has applied or is a current licensee or permittee:**

(See Exhibit #I)

<b>7(a) Has the Filer or any party to this application had any FCC station license or permit revoked or had any application for permit, license or renewal denied by this Commission? If "YES", attach as Exhibit I a statement giving call sign and file number of license or permit revoked and relating circumstances.</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<b>(b) Has any court finally adjudged the Filer, or any person directly or indirectly controlling the Filer, guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or other means of unfair methods of competition? If "YES", attach as Exhibit II a statement relating the facts.</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<b>(c) Has the Filer, or any party to this application, or any person directly or indirectly controlling the Filer ever been convicted of a felony by any state or Federal court? If "YES", attach as Exhibit III a statement relating the facts.</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
<b>(d) Is the Filer, or any person directly or indirectly controlling the Filer, presently a party in any matter referred to in Items 7(b) and 7(c)? If "YES", attach as Exhibit IV a statement relating the facts.</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<b>8. Is the Filer, directly or indirectly, through stock ownership, contract or otherwise, currently interested in the ownership or control of any other radio stations licensed by the Commission? If "YES", attach as Exhibit V the name of each such licensee and the licensee's relation to the Filer.</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO

If Filer is an individual (sole proprietorship) or partnership, answer the following and Item 11:

<b>9(a) Full Legal Name and Residential Address (Number, Street, State and ZIP Code) of Individual or Partners:</b>  N/A	<table border="1"> <tr> <td data-bbox="872 1759 1362 1883"> <b>(b) Is Individual or each member of a partnership a citizen of the United States?</b> </td> <td data-bbox="1362 1759 1605 1883"> <input type="checkbox"/> YES      <input type="checkbox"/> NO          N/A       </td> </tr> <tr> <td data-bbox="872 1883 1362 2053"> <b>(c) Is Individual or any member of a partnership a representative of an alien or of a foreign government?</b> </td> <td data-bbox="1362 1883 1605 2053"> <input type="checkbox"/> YES      <input type="checkbox"/> NO          N/A       </td> </tr> </table>	<b>(b) Is Individual or each member of a partnership a citizen of the United States?</b>	<input type="checkbox"/> YES <input type="checkbox"/> NO N/A	<b>(c) Is Individual or any member of a partnership a representative of an alien or of a foreign government?</b>	<input type="checkbox"/> YES <input type="checkbox"/> NO N/A
<b>(b) Is Individual or each member of a partnership a citizen of the United States?</b>	<input type="checkbox"/> YES <input type="checkbox"/> NO N/A				
<b>(c) Is Individual or any member of a partnership a representative of an alien or of a foreign government?</b>	<input type="checkbox"/> YES <input type="checkbox"/> NO N/A				

If Filer is a corporation, answer the following and Item 11:

- 10(a) Attach as Exhibit VI the names, addresses, and citizenship of those stockholders owning of record and/or voting 10 percent or more of the Filer's voting stock and the percentages so held. In the case of fiduciary control, indicate the beneficiary(ies) or class of beneficiaries.

N/A

- (b) List below, or attach as Exhibit VII the names and addresses of the officers and directors of the Filer.

- (c) Is the Filer directly or indirectly controlled by any other corporation?

☐ YES ☒ NO

If "YES", attach as Exhibit VIII a statement (including organizational diagrams where appropriate) which fully and completely identifies the nature and extent of control. Include the following: (1) the address and primary business of the controlling corporation and any intermediate subsidiaries; (2) the names, addresses, and citizenship of those stockholders holding 10 percent or more of the controlling corporation's voting stock; (3) the approximate percentage of total voting stock held by each such stockholder; and (4) the names and addresses of the president and directors of the controlling corporation.

- (d) Is any officer or director of the Filer an alien?

☐ YES ☒ NO

- (e) Is more than one-fifth of the capital stock of the Filer owned of record or voted by aliens or their representatives, or by a foreign government or representative(s) thereof, or by a corporation organized under the laws of a foreign country?

☐ YES ☒ NO

- (f) Is the Filer directly or indirectly controlled: (1) by any other corporation of which any officer or more than one-fourth of the directors are aliens, or (2) by any foreign corporation or corporation of which more than one-fourth of the capital stock is owned or voted by aliens or their representatives, or by a foreign government or representatives thereof.

☐ YES ☒ NO

- (g) If any answer to questions (d), (e) or (f) is "YES", attach as Exhibit IX a statement identifying the aliens or foreign entities, their nationality, their relationship to the Filer, and the percentage of stock they own or vote.

## 11. CERTIFICATION

This report constitutes a material part of any application which cross-references it, and all statements made in the attached exhibits are a material part thereof. The ownership information contained in this report does not constitute an application for, or Commission approval of, any transfer of control or assignment of radio facilities. The undersigned, individually and for the Filer, hereby certifies that the statements made herein are true, complete and correct to the best of the Filer's knowledge and belief, and are made in good faith. The undersigned, individually and for the Filer, certifies that neither the applicant nor any other party to the application is subject to a denial of Federal benefits, that includes FCC benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988, 21 U.S.C. Section 862, because of a conviction for possession or distribution of a controlled substance.

**WILLFUL FALSE STATEMENTS MADE ON THIS FORM ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. CODE, TITLE 18, SECTION 1001), AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. CODE, TITLE 47, SECTION 312(A)(1)), AND/OR FORFEITURE (U.S. CODE, TITLE 47, SECTION 503).**

Filer (must correspond with that shown in Item 1)	Typed or Printed Name	
Bell Atlantic Corporation	James R. Young	
Signature	Title	Date
	Executive Vice President and General Counsel	

### NOTICE TO INDIVIDUALS REQUIRED BY THE PRIVACY ACT OF 1974 AND THE PAPERWORK REDUCTION ACT OF 1995

The solicitation of personal information requested in this form is to determine if you are qualified to become or remain a licensee in common carrier or satellite radio service pursuant to the Communications Act of 1934, as amended. No authorization can be granted unless all information requested is provided. Your response is required to obtain the requested authorization or retain an authorization.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate, or any other aspect of this collection of information, including suggestions for reducing the burden to Federal Communications Commission, AMD-PERF, Washington, DC 20554, Paperwork Reduction Project (3060-0105), or via the Internet to jboley@fcc.gov. DO NOT SEND COMPLETED FORMS TO THIS ADDRESS. You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection unless it displays a currently valid OMB control number or if we fail to provide you with this notice.

This notice is required by the Privacy Act of 1974, Public Law 93-579, December 31, 1974, 5 U.S.C. Section 552a(e)(3) and the Paperwork Reduction Act of 1995, Public Law 104-13, October 1, 1995, 44 U.S.C. 3507.

**Response to Question 6:**

Bell Atlantic Corporation (“Bell Atlantic”), either directly or through its subsidiaries, holds common carrier licenses in the following radio services:

**Public Mobile Services (Part 22)**

- Paging and Radiotelephone Service
- Rural Radiotelephone Service
- Air-Ground Radiotelephone Service
- Cellular Radiotelephone Service

**Personal Communications Service (Part 24)**

- Broadband PCS

**Satellite Communications (Part 25)**

- Fixed Satellite Service

**Wireless Communications Service (Part 27)**

**Aviation Service (Part 87)**

**Private Land Mobile Radio Services (Part 90)**

- Business Radio Service
- Telephone Maintenance Radio Service

**Fixed Microwave Services (Part 101)**

- Digital Electronic Message Service
- Private Operational Fixed Point-to-Point Microwave Service
- Common Carrier Fixed Point-to-Point Microwave Service
- Local Television Transmission Service

Upon receipt of the Commission’s consent to transfer control of radio licenses held by GTE Corporation to Bell Atlantic, Bell Atlantic will also indirectly have an interest in common carrier licenses in the following radio services:

**Multipoint Distribution Service (Part 21)**

**Cable Television Relay Service (Part 78)**

Response to Question 7(d):

**New England Mobile Communications, Inc., d/b/a Kartele Cellular Phones (“Kartele”) v. Bell Atlantic NYNEX Mobile, Inc., (“BANM”) and Metro Mobile CTS of Fairfield County, Inc. (“Metro Mobile”) (Superior Court of Connecticut)**

Kartele, a former agent, alleges defendant “improperly terminated” the agency agreement and violated the Connecticut Unfair Trade Practices Act by engaging in below-cost pricing in its own retail stores. Defendants’ motion to revise has been granted in part, and denied in part; defendants will file a motion to dismiss.

**Cellular Systems of Newberry, Inc., v. Cellco Partnership d/b/a Bell Atlantic Mobile (U.S. District Court for the District of South Carolina)** Plaintiff alleges that defendant failed to pay commissions due under the agency agreement; and wrongfully terminated the agency agreement, thereby committing breach of contract and violating South Carolina fair trade statutes. This matter was removed to Federal Court. BAM has moved for summary judgment on the unfair trade practices claims.

**Road Music and More (Cellular), Inc. (“Road Music”) v. Metro Mobile CTS of Greenville, Inc. and Bell Atlantic NYNEX Mobile, Inc. (“BANM”) (Court of Common Pleas, Spartanburg County, South Carolina)** Plaintiff alleges that Defendants breached the agency agreement and violated South Carolina fair trade practices statutes by engaging in below-cost pricing and other practices in order to obtain a competitive advantage. BAM has moved for summary judgment on all counts of the complaint.

**Electronics Store, Inc., v. Cellco Partnership and Cedar Point Federal Credit Union (Circuit Court of St. Mary’s County, Maryland)** Plaintiff alleges that defendants committed antitrust violations under Maryland common law, common law breach of contract and tortious interference with contract. Summary judgment was granted in favor of defendants on July 13, 1998 and plaintiff’s appeal is pending.

**USA Wireless, Inc., v. Bell Atlantic NYNEX Mobile, Inc. (Massachusetts Superior Court)** Plaintiff, a former BAM agent that terminated the agency agreement upon selling the business, alleges that BAM breached the agreement and violated Massachusetts fair trade statutes by refusing to provide an accounting and payment of commission due to plaintiff. BAM is preparing to file an answer and counter claims against plaintiff.

**In Re Vermont RSA Limited Partnership (Vermont Environmental Board):** While the following case is not reportable under question 7(b), it is being disclosed for information purposes. In July 1998, the Board granted a petition by the town of Sharon, Vermont, to revoke a land use permit which had been granted to Vermont RSA Limited Partnership ("Partnership") for a new wireless communications tower. The managing partner of the Partnership is NYNEX Mobile Limited Partnership 1 ("NMLP1"), the managing partner of NMLP1 is Cellco Partnership of which BAM is the managing partner. The Board found that the Partnership had submitted inaccurate, erroneous and materially incomplete information in connection with the permit application and that it may have been negligent, but that the Partnership's actions were not willful or grossly negligent. The Board offered the Partnership the opportunity to amend its permit application or take other corrective action. The Partnership is considering an appeal or petition for reconsideration of the Board's decision.

**Response to Question 8:**

Bell Atlantic Corporation (“Bell Atlantic”) directly holds licenses in the Private Land Mobile Radio Service. Bell Atlantic also wholly owns the following subsidiaries that also hold radio licenses issued by the Commission:

Bell Atlantic-Delaware, Inc.  
Bell Atlantic-Maryland, Inc.  
Bell Atlantic-New Jersey, Inc.  
Bell Atlantic-Pennsylvania, Inc.  
Bell Atlantic-Virginia, Inc.  
Bell Atlantic-Washington, D.C., Inc.  
Bell Atlantic-West Virginia, Inc.  
Bell Atlantic Enterprises International, Inc.  
Bell Atlantic Properties, Inc.  
Cellco Partnership d/b/a Bell Atlantic Mobile  
NYNEX Corporation  
New York Telephone Company  
New England Telephone & Telegraph Company  
NYNEX Science & Technology, Inc.  
NYNEX Video Services  
PCSCo Partnership

Bell Atlantic also has an ownership interest in the following companies that hold radio licenses issued by the Commission:

**PCS PrimeCo, L.P.**, in which Bell Atlantic holds a 50% interest.

**CellularVision USA, Inc.**, in which Bell Atlantic owns approximately 40% of the

**Response to Question 10(b):**

The Board of Directors of Bell Atlantic Corporation are:

Mr. Lawrence T. Babbio, Jr.  
President & CEO – Network Group  
Bell Atlantic Corporation  
1095 Avenue of the Americas  
New York, New York 10036

Mr. Thomas H. O'Brien  
Chairman and CEO  
PNC Bank Corporation  
One PNC Plaza  
5<sup>th</sup> Avenue and Wood Street, 30<sup>th</sup> Floor  
Pittsburgh, Pennsylvania 15222

Mr. Richard L. Carrion  
Chairman, President & CEO  
Banco Popular de Puerto Rico and  
Popular, Inc.  
209 Munoz Rivera Avenue  
Hato Rey, PR 00918

Mr. Eckhard Pfeiffer  
President and Chief Executive Officer  
Compaq Computer Corporation  
P.O. Box 692000-MS110802  
Houston, Texas 77269-2000

Mr. James G. Cullen  
President & CEO – Telecom Group  
Bell Atlantic Corporation  
1310 North Court House Road  
Arlington, Virginia 22201

Mr. Hugh B. Price  
President and CEO  
National Urban League, Inc.  
120 Wall Street  
New York, New York 10005

Mr. Lodewijk J.R. de Vink  
President and Chief Operating Officer  
Warner-Lambert Company  
201 Tabor Road  
56-2 Administration  
Morris Plains, New Jersey 07950

Ms. Rozanne L. Ridgway  
Former Assistant Secretary of State  
for Europe and Canada  
2695 Marcey Road  
Arlington, Virginia 22207

Mr. James H. Gilliam, Jr.  
Exec. Vice President & General Counsel  
Beneficial Corporation  
1 Christina Centre  
301 N. Walnut Street  
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Mr. Frederic V. Salerno  
Sr. Exec. Vice President & CFO  
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1095 Avenue of the Americas  
New York, New York 10036

Mr. Stanley P. Goldstein  
Chairman of the Board  
CVS Corporation  
One CVS Drive  
Woonsocket, Rhode Island 02895

Mr. Ivan G. Seidenberg  
Vice Chairman, President & CEO  
Bell Atlantic Corporation  
1095 Avenue of the Americas  
New York, New York 10036

**Bell Atlantic Corporation – Form 430**

**Exhibit VII**

**Page 2 of 4**

Ms. Helene L. Kaplan  
Of Counsel  
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919 Third Avenue, Room 2972  
New York, New York 10022

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Drew University  
36 Madison Avenue  
President's Office  
Madison, New Jersey 07940-4005

Ms. Elizabeth T. Kennan  
President Emeritus  
Mount Holyoke College  
197 County Road  
Ipswich, Massachusetts 01938

Mr. John F. Maypole  
Managing Partner  
Peach State Real Estate Holding Co.  
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Toccoa, Georgia 30577

Mr. Joseph Neubauer  
Chairman, President & CEO  
ARAMARK Corporation  
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Philadelphia, Pennsylvania 19107

Mr. Walter V. Shipley  
Chairman of the Board & CEO  
The Chase Manhattan Corporation  
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Mr. Raymond W. Smith  
Chairman of the Board  
Bell Atlantic Corporation  
1310 North Court House Road  
Arlington, Virginia 22201

Mr. John R. Stafford  
Chairman of the Board, President & CEO  
American Home Products Corporation  
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Mr. Morrison DeS. Webb  
Executive Vice President – External  
Affairs & Corporate Communications  
Bell Atlantic Corporation  
1095 Avenue of the Americas  
New York, New York 10036

Ms. Shirley Young  
Vice President – China Strategic Development  
General Motors Corporation  
400 Renaissance Center  
Detroit, Michigan 48243-4000

**The Executive Officers of Bell Atlantic Corporation are:**

Mr. Raymond W. Smith  
Chairman of the Board  
1310 North Court House Road  
Arlington, Virginia 22201

Mr. Ivan G. Seidenberg  
Vice Chairman, President and Chief Executive Officer  
1095 Avenue of the Americas  
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Mr. Lawrence T. Babbio, Jr.  
President and Chief Executive Officer – Network Group  
Chairman – Global Wireless Group  
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President and Chief Executive Officer – Telecom Group  
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Executive Vice President – Strategy, Corporate and Business Development  
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Vice President – Finance and Comptroller  
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Vice President – Corporate Communications  
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New York, New York 10036

Mr. Donald J. Sacco  
Executive Vice President – Human Resources  
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Mr. Frederic V. Salerno  
Senior Executive Vice President and Chief Financial Officer  
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New York, New York 10036